

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 6/30/2007

9/10/2007

	As of <u>6-30-07</u>	As of <u>6-30-06</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 770,492,688	\$ 654,595,767
INTERNATIONAL EQUITIES	490,001,433	377,166,245
DOMESTIC FIXED INCOME	344,949,636	314,813,187
INTERNATIONAL FIXED INCOME	84,675,151	81,912,666
REAL ESTATE	212,437,075	182,884,803
ALTERNATIVE INVESTMENTS	87,610,571	69,410,721
INVESTED CASH (NOTE 1)	<u>16,588,981</u>	<u>15,969,730</u>
 TOTAL INVESTMENTS	 2,006,755,535	 1,696,753,119
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	8,366,607	8,616,986
CONTRIBUTIONS RECEIVABLE	8,058,323	7,715,230
MISCELLANEOUS RECEIVABLE	<u>3,064</u>	<u>3,371</u>
 TOTAL RECEIVABLES	 16,427,994	 16,335,587
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	143,933,101	127,302,330
OPERATING CASH (NOTE 3)	9,950,883	9,754,527
FIXED ASSETS (NET OF ACCUM DEPR)	<u>789,382</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u>\$ 2,177,856,895</u>	 <u>\$ 1,851,181,292</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	143,933,101	127,302,330
ACCOUNTS PAYABLE	57,716	64,905
ACCRUED EXPENSES	483,601	458,452
CAPITAL LEASE PAYABLE	1,210	5,662
INVESTMENT EXPENSES PAYABLE	<u>3,603,855</u>	<u>2,041,720</u>
 TOTAL LIABILITIES	 148,079,483	 129,873,069
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,721,308,223	1,530,194,427
RESTATEMENT AMOUNT	0	968,337
CASH IN DURING YEAR (NOTE 4)	154,153,000	143,769,000
CASH OUT DURING YEAR (NOTE 5)	154,153,000	143,769,000
NET INCREASE (DECREASE)	<u>308,469,189</u>	<u>190,145,459</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>2,029,777,412</u>	 <u>1,721,308,223</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 2,177,856,895</u>	 <u>\$ 1,851,181,292</u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 6/30/2007

	Month Ended <u>6-30-07</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 5,199,754	\$ 49,304,226
SECURITIES LENDING INCOME	<u>823,585</u>	<u>7,254,776</u>
	6,023,339	56,559,002
 GAIN ON SALE OF INVESTMENTS	 23,384,409	 205,358,036
LOSS ON SALE OF INVESTMENTS	<u>11,007,515</u>	<u>83,671,565</u>
 NET GAINS (LOSSES) INVESTMENTS	 12,376,894	 121,686,471
 INVESTMENT EXPENSES	 2,019,901	 10,547,809
SECURITIES LENDING EXPENSES	<u>695,554</u>	<u>6,830,921</u>
 NET INVESTMENT INCOME	 15,684,778	 160,866,743
 NET APPREC (DEPREC) MARKET VALUE	 (14,782,551)	 186,893,948
MISCELLANEOUS INCOME/(EXPENSE)	<u>(210,106)</u>	<u>(994,705)</u>
 TOTAL INVESTMENT INCOME	 692,121	 346,765,986
 CONTRIBUTIONS & ASSESSMENTS (NOTE 6)	 16,183,500	 63,731,238
PURCHASED SERVICE CREDIT (NOTE 7)	318,594	2,629,006
PENALTY & INTEREST (NOTE 8)	<u>504</u>	<u>1,855</u>
 TOTAL ADDITIONS	 <u>17,194,719</u>	 <u>413,128,085</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	8,511,396	98,784,161
PARTIAL LUMP SUM BENEFITS PAID	439,895	953,744
REFUNDS TO MEMBER (NOTE 10)	<u>219,740</u>	<u>3,328,931</u>
 TOTAL BENEFITS PAID	 9,171,031	 103,066,836
 ADMINISTRATIVE EXPENSES	 405,067	 1,592,060
 TOTAL DEDUCTIONS	 <u>9,576,098</u>	 <u>104,658,896</u>
 NET INCREASE (DECREASE)	 <u><u>\$ 7,618,621</u></u>	 <u><u>\$ 308,469,189</u></u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
June 30, 2007

9/10/2007

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **OPERATING CASH**

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 4 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 7 **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

TEACHERS' FUND FOR RETIREMENT

9/10/2007

Notes to Financial Statements

6/30/2007

NOTE 8 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 9 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 10 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.